

ALEXANDERS J CORP  
Form 10-Q  
August 17, 2005

**Table of Contents**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

(Mark One)

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

For quarterly period ended **July 3, 2005**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934.**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_ .  
Commission file number **1-8766**

**J. ALEXANDER S CORPORATION**  
(Exact name of registrant as specified in its charter)

Tennessee

62-0854056

(State or other jurisdiction of incorporation or  
organization)

(I.R.S. Employer Identification No.)

3401 West End Avenue, Suite 260, P.O. Box 24300, Nashville, Tennessee 37202

(Address of principal executive offices)

(Zip Code)

(615)269-1900

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934).

Yes  No

Common Stock Outstanding 6,501,082 shares at August 17, 2005.

**TABLE OF CONTENTS**

**PART I. FINANCIAL INFORMATION**

Item 1. Financial Statements

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Item 4. Controls and Procedures

**PART II. OTHER INFORMATION**

Item 4. Submission of Matters to a Vote of Security Holders

Item 6. Exhibits

**SIGNATURES**

**INDEX TO EXHIBITS**

**EX-31.1 SECTION 302 CEO CERTIFICATION**

**EX-31.2 SECTION 302 CFO CERTIFICATION**

**EX-32.1 SECTION 906 CEO AND CFO CERTIFICATION**

---

Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****J. Alexander's Corporation and Subsidiaries****Condensed Consolidated Balance Sheets****(Unaudited dollars in thousands, except per share amount)**

	<b>July 3 2005</b>	January 2 2005
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	<b>\$ 6,968</b>	\$ 6,129
Accounts and notes receivable	<b>1,572</b>	2,178
Inventories	<b>1,200</b>	1,132
Deferred income taxes	<b>1,327</b>	1,327
Prepaid expenses and other current assets	<b>1,499</b>	1,191
<b>TOTAL CURRENT ASSETS</b>	<b>12,566</b>	11,957
<b>OTHER ASSETS</b>	<b>1,192</b>	1,122
<b>PROPERTY AND EQUIPMENT</b> , at cost, less allowances for depreciation and amortization of \$35,846 and \$33,990 at July 3, 2005, and January 2, 2005, respectively	<b>72,679</b>	72,425
<b>DEFERRED INCOME TAXES</b>	<b>3,236</b>	3,236
<b>DEFERRED CHARGES</b> , less amortization	<b>775</b>	814
	<b>\$90,448</b>	\$89,554

**Table of Contents**

	<b>July 3 2005</b>	January 2 2005
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	<b>\$ 3,641</b>	\$ 3,050
Accrued expenses and other current liabilities	<b>4,018</b>	4,893
Unearned revenue	<b>1,890</b>	2,680
Current portion of long-term debt and obligations under capital leases	<b>745</b>	769
<b>TOTAL CURRENT LIABILITIES</b>	<b>10,294</b>	11,392
<b>LONG-TERM DEBT AND OBLIGATIONS UNDER CAPITAL LEASES, net of portion classified as current</b>	<b>23,610</b>	24,017
<b>OTHER LONG-TERM LIABILITIES</b>	<b>4,914</b>	4,543
<b>STOCKHOLDERS EQUITY</b>		
Common Stock, par value \$.05 per share: Authorized 10,000,000 shares; issued and outstanding 6,482,948 and 6,460,199 shares at July 3, 2005, and January 2, 2005, respectively	<b>325</b>	324
Preferred Stock, no par value: Authorized 1,000,000 shares; none issued		
Additional paid-in capital	<b>34,368</b>	34,312
Retained earnings	<b>17,562</b>	15,629
	<b>52,255</b>	50,265
Note receivable Employee Stock Ownership Plan	<b>(192)</b>	(192)
Employee notes receivable 1999 Loan Program	<b>(433)</b>	(471)
<b>TOTAL STOCKHOLDERS EQUITY</b>	<b>51,630</b>	49,602
	<b>\$90,448</b>	\$89,554

See notes to condensed consolidated financial statements.

**Table of Contents**
**J. Alexander's Corporation and Subsidiaries**  
**Condensed Consolidated Statements of Income**  
**(Unaudited in thousands, except per share amounts)**

	Quarter Ended		Six Months Ended	
	July 3 2005	June 27 2004	July 3 2005	June 27 2004
Net sales	\$ <b>30,953</b>	\$ 29,847	\$ <b>63,107</b>	\$ 60,636
Costs and expenses:				
Cost of sales	<b>10,104</b>	10,194	<b>20,868</b>	20,395
Restaurant labor and related costs	<b>9,791</b>	9,318	<b>19,781</b>	18,986
Depreciation and amortization of restaurant property and equipment	<b>1,198</b>	1,161	<b>2,386</b>	2,314
Other operating expenses	<b>5,866</b>	5,647	<b>12,087</b>	11,307
Total restaurant operating expenses	<b>26,959</b>	26,320	<b>55,122</b>	53,002
General and administrative expenses	<b>2,326</b>	2,177	<b>4,616</b>	4,366
Operating income	<b>1,668</b>	1,350	<b>3,369</b>	3,268
Other income (expense):				
Interest expense, net	<b>(447)</b>	(527)	<b>(909)</b>	(1,056)
Other, net	<b>75</b>	14	<b>86</b>	32
Total other expense	<b>(372)</b>	(513)	<b>(823)</b>	(1,024)
Income before income taxes	<b>1,296</b>	837	<b>2,546</b>	2,244
Income tax provision	<b>(312)</b>	(261)	<b>(613)</b>	(720)
Net income	\$ <b>984</b>	\$ 576	\$ <b>1,933</b>	\$ 1,524
Earnings per share:				
Basic earnings per share	\$ <b>.15</b>	\$ .09	\$ <b>.30</b>	\$ .24
Diluted earnings per share	\$ <b>.14</b>	\$ .09	\$ <b>.28</b>	\$ .22

See notes to condensed consolidated financial statements.

**Table of Contents**
**J. Alexander's Corporation and Subsidiaries**  
**Condensed Consolidated Statements of Cash Flows**  
**(Unaudited in thousands)**

	Six Months Ended	
	<b>July 3 2005</b>	June 27 2004
Net cash provided by operating activities:		
Net income	<b>\$ 1,933</b>	\$ 1,524
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	<b>2,429</b>	2,351
Decrease in receivables from credit card issuers	<b>606</b>	254
Decrease in receivable from landlord for tenant improvement allowance		497
Changes in other working capital accounts	<b>(2,957)</b>	(1,181)
Other operating activities	<b>495</b>	496
	<b>2,506</b>	3,941
Net cash used by investing activities:		
Purchase of property and equipment	<b>(2,787)</b>	(1,609)
Other investing activities	<b>(82)</b>	(65)
	<b>(2,869)</b>	(1,674)
Net cash provided (used) by financing activities:		
Payments on debt and obligations under capital leases	<b>(431)</b>	(371)
Proceeds from equipment financing note		750
Proceeds under bank line of credit agreement		408
Payments under bank line of credit agreement		(894)
Reduction of employee notes receivable 1999 Loan Program	<b>38</b>	26
Increase (decrease) in bank overdraft	<b>1,538</b>	(1,203)
Exercise of stock options	<b>57</b>	38
	<b>1,202</b>	(1,246)
Increase in cash and cash equivalents	<b>839</b>	1,021
Cash and cash equivalents at beginning of period	<b>6,129</b>	872
Cash and cash equivalents at end of period	<b>\$ 6,968</b>	\$ 1,893

See notes to condensed consolidated financial statements.

**Table of Contents****J. Alexander's Corporation and Subsidiaries****Notes to Condensed Consolidated Financial Statements (Unaudited)****NOTE A BASIS OF PRESENTATION**

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. Certain reclassifications have been made in the prior year's condensed consolidated financial statements to conform to the 2005 presentation. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the quarter and six months ended July 3, 2005, are not necessarily indicative of the results that may be expected for the fiscal year ending January 1, 2006. For further information, refer to the consolidated financial statements and footnotes thereto included in the J. Alexander's Corporation (the Company's) annual report on Form 10-K for the fiscal year ended January 2, 2005.

Net income and comprehensive income are the same for all periods presented.

**NOTE B ACCOUNTS RECEIVABLE**

The Company receives payment from third party credit card issuers for purchases made by guests using the issuers credit cards. The issuers typically pay the Company within three to four days of the credit card transaction. Historically, these amounts were treated as in-transit cash deposits. Effective July 3, 2005, these amounts have been classified as accounts receivable for all periods presented and the Condensed Consolidated Statement of Cash Flows for the six months ended June 27, 2004 has been reclassified to reflect the impact of this presentation. Accounts receivable related to credit card transactions were as follows at the following dates (in thousands):

July 3, 2005	\$1,395
January 2, 2005	\$2,001
June 27, 2004	\$1,712
December 28, 2003	\$1,966

**NOTE C CASH OVERDRAFT**

As a result of maintaining a consolidated cash management system and, in part, due to the reclassification of the credit card transactions discussed in Note B above, the Company maintains an overdraft position at its primary bank at various times throughout the year. Overdraft balances, which were included in accounts payable for all periods presented, were as follows at the following dates (in thousands):

July 3, 2005	\$2,173
January 2, 2005	\$ 635
June 27, 2004	\$ 0
December 28, 2003	\$1,203

The January 2, 2005 Condensed Consolidated Balance Sheet has been reclassified to



**Table of Contents**

reflect the overdraft at that date, and the Condensed Consolidated Statement of Cash Flows for the six months ended June 27, 2004 has been reclassified to give effect to the overdraft at December 28, 2003.

**NOTE D EARNINGS PER SHARE**

The following table sets forth the computation of basic and diluted earnings per share:

(In thousands, except per share amounts)	Quarter Ended		Six Months Ended	
	<b>July 3 2005</b>	June 27 2004	<b>July 3 2005</b>	June 27 2004
<b>Numerator:</b>				
Net income (numerator for basic earnings per share)	\$ 984	\$ 576	\$1,933	\$1,524
Effect of dilutive securities				
Net income after assumed conversions (numerator for diluted earnings per share)	\$ 984	\$ 576	\$1,933	\$1,524
<b>Denominator:</b>				
Weighted average shares (denominator for basic earnings per share)	6,469	6,443	6,465	6,440
Effect of dilutive securities:				
Employee stock options	323	333	323	349
Adjusted weighted average shares and assumed conversions (denominator for diluted earnings per share)	6,792	6,776	6,788	6,789
Basic earnings per share	\$ .15	\$ .09	\$ .30	\$ .24
Diluted earnings per share	\$ .14	\$ .09	\$ .28	\$ .22

The calculations of diluted earnings per share exclude stock options for the purchase of 107,000 shares of the Company's common stock and 128,000 shares of common stock for the quarters ended July 3, 2005 and June 27, 2004, respectively, because the exercise prices of the options were greater than the average market price of the common stock for the applicable periods and the effect of their inclusion would be anti-dilutive. Options to purchase 108,000 and 107,000 shares of common stock were excluded from the diluted earnings per share calculation for the six months ended July 3, 2005 and June 27, 2004, respectively.

**NOTE E INCOME TAXES**

Income tax expense for the second quarter and first six months of 2005 has been provided for based on a 24.1% effective tax rate expected to be applicable for the full 2005 fiscal year. The effective income tax rate differs from applying the statutory federal income tax rate of 34% to pre-tax earnings primarily due to employee FICA tip tax credits (a reduction in income tax expense) partially offset by state income taxes.

**Table of Contents****NOTE F STOCK BASED COMPENSATION**

The Company accounts for its stock compensation arrangements using the intrinsic value method in accordance with Accounting Principles Board (APB) Opinion No. 25 Accounting for Stock Issued to Employees (APB No. 25) and, accordingly, typically recognizes no compensation expense for such arrangements. One stock option award, issued to the Company's Chief Executive Officer in 1999 at an initial exercise price equal to the fair market value of the Company's common stock on the date of the award, included a provision whereby the exercise price increased annually as long as the option remained unexercised and therefore was accounted for as a variable stock option award. The Company's board of directors fixed the exercise price of this option at \$3.94 on May 25, 2004. As a result, no additional compensation expense will be recognized with respect to this option grant subsequent to May 25, 2004. Compensation expense included a credit of \$59,000 associated with this option grant for the second quarter of 2004 and \$18,000 of expense for the first six months of 2004.

The following table represents the effect on net income and earnings per share if the Company had applied the fair value based Statement of Financial Accounting Standards (SFAS) No. 123, Accounting for Stock-Based Compensation, to stock-based employee compensation:

	Quarter Ended		Six Months Ended	
	July 3 2005	June 27 2004	July 3 2005	June 27 2004
(In thousands, except per share amounts)				
Net income, as reported	\$ 984	\$ 576	\$1,933	\$1,524
Add: Compensation expense (benefit) related to variable stock option award, net of related tax effects		(59)		18
Deduct: Stock-based employee compensation expense determined under fair value methods for all awards, net of related tax effects	(34)	(21)	(67)	(51)
Pro forma net income	\$ 950	\$ 496	\$1,866	\$1,491
Net income per share:				
Basic, as reported	\$ .15	\$ .09	\$ .30	\$ .24
Basic, pro forma	\$ .15	\$ .08	\$ .29	\$ .23
Diluted, as reported	\$ .14	\$ .09	\$ .28	\$ .22
Diluted, pro forma	\$ .14	\$ .07	\$ .27	\$ .22
Weighted average shares used in computation:				
Basic	6,469	6,443	6,465	6,440
Diluted	6,792	6,776	6,788	6,789

For purposes of pro forma disclosures, the estimated fair value of stock-based

**Table of Contents**

compensation is amortized to expense primarily over the vesting period.

**NOTE G COMMITMENTS AND CONTINGENCIES**

As a result of the disposition of its Wendy's operations in 1996, the Company remains secondarily liable for certain real property leases with remaining terms of one to eleven years. The total estimated amount of lease payments remaining on these 28 leases at July 3, 2005 was approximately \$4.0 million. In connection with the sale of its Mrs. Winner's Chicken & Biscuit restaurant operations in 1989 and certain previous dispositions, the Company also remains secondarily liable for certain real property leases with remaining terms of one to five years. The total estimated amount of lease payments remaining on these 27 leases at July 3, 2005, was approximately \$2.7 million. Additionally, in connection with the previous disposition of certain other Wendy's restaurant operations, primarily the southern California restaurants in 1982, the Company remains secondarily liable for certain real property leases with remaining terms of one to five years. The total estimated amount of lease payments remaining on these 11 leases as of July 3, 2005, was approximately \$1.5 million.

In September of 2004, a lawsuit was filed in the U.S. District Court for the Middle District of Tennessee against the Company by the Equal Employment Opportunity Commission alleging that under Title VII of the Civil Rights Act of 1964 and Title I of the Civil Rights Act of 1991 the Company engaged in unlawful employment practices in two of its restaurants by discriminating against male applicants who were allegedly denied employment as bartenders based upon their gender. The lawsuit seeks to compensate those applicants who were allegedly harmed by the Company's practices, seeks injunctive relief against the Company to prevent it from engaging in such practices, and requests that the Company implement and carry out policies which provide equal employment opportunities for male applicants for employment so that the alleged unlawful employment practices would be eradicated. The Company denies all liability with respect to this claim, believes it is without merit and intends to defend it vigorously. The Company has not provided for any liability with respect to this claim as management believes ultimate loss is not probable. However, the Company could incur expenses relating to this matter which could materially adversely affect its results of operations and there exists the risk that an adverse judgment in this claim, the amount of which cannot be estimated, could have a material adverse effect on the Company's financial condition or results of operations.

The Company is from time to time subject to routine litigation incidental to its business. The Company believes that the results of such legal proceedings will not have a materially adverse effect on the Company's financial condition, operating results or liquidity.

**NOTE H RELATED PARTY SUBSEQUENT EVENT**

E. Townes Duncan, a director of the Company, is a minority owner of and manages the investments of Solidus Company (Solidus), the Company's largest shareholder. On July 31, 2005, the Company entered into an Amended and Restated Standstill Agreement (the Agreement) with Solidus to extend, subject to certain conditions, the existing contractual restrictions on Solidus' 1,747,846 shares of the Company's Common Stock until December 1,

**Table of Contents**

2009. The Agreement will continue after January 15, 2006, provided that the Company pays a cash dividend to shareholders of either \$0.025 per share each quarter, or \$0.10 per share annually. Solidus agreed that it will not seek to increase its ownership of the Company's Common Stock above 33% of the Common Stock outstanding and that it will not sell or otherwise transfer its Common Stock without the consent of the Company's Board of Directors; provided that Solidus and its affiliate may sell up to 106,000 shares per twelve-month period beginning December 1, 2006. The Agreement replaces in its entirety the Stock Purchase and Standstill Agreement dated as of March 22, 1999.

The Agreement was negotiated and approved on behalf of the Company by the Audit Committee of the Board of Directors, which is comprised solely of independent directors, who were advised by independent counsel. The Company's ability to pay a dividend will depend on its financial condition and results of operations at any time a dividend is considered or paid.

**NOTE I RECENT ACCOUNTING PRONOUNCEMENTS**

In December 2004, the Financial Accounting Standards Board (FASB) issued SFAS No. 123 (revised 2004), Share-Based Payment (SFAS 123R), which replaces SFAS No. 123 and supercedes APB No. 25. SFAS 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair value. The pro forma disclosures previously permitted under SFAS 123 will no longer be an alternative to financial statement recognition. On April 14, 2005, the Securities and Exchange Commission adopted a rule that amended the compliance dates for SFAS 123R, which the Company will now be required to adopt in the first quarter of fiscal 2006. Under SFAS 123R, the Company must determine an appropriate fair value model to be used for valuing share-based payments, the amortization method for compensation cost and the transition method to be used at the date of adoption. The Company is assessing SFAS No. 123R and has not determined the impact that adoption of this statement will have on its results of operations.

On June 29, 2005, the FASB directed the FASB staff to issue a proposed FASB Staff Position (FSP) to address the accounting for rental costs associated with operating leases that are incurred during a construction period. The guidance in the proposed FSP FAS 13-b provides that rental costs associated with ground or building operating leases that are incurred during a construction period shall be recognized as rental expense. The proposed FSP anticipates an effective date beginning with the first reporting period commencing after September 15, 2005 and a lessee shall cease capitalizing rental costs as of the effective date of the FSP for operating lease arrangements entered into prior to the effective date of the FSP. Retrospective application is proposed to be permitted but not required.

The proposed FSP is not expected to have a material effect on the Company for 2005. However, for years subsequent to 2005, the effect of the proposed FSP would, if approved, result in the recognition by the Company of rent expense during the period of construction for each new restaurant developed under a ground or building operating lease.

**Table of Contents**

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**  
**RESULTS OF OPERATIONS**

**Overview**

J. Alexander's Corporation (the Company) owns and operates high volume, upscale casual dining restaurants which offer a contemporary American menu designed to appeal to a wide variety of tastes. J. Alexander's restaurants compete in the restaurant industry by placing special emphasis on high food quality and high levels of professional service offered in an attractive environment. J. Alexander's typically does no advertising and relies on each restaurant to increase sales through building its reputation as an outstanding dining establishment. The Company has generally been successful in achieving same store sales increases over time using this strategy. At July 3, 2005, the Company owned and operated 27 J. Alexander's restaurants in 12 states. One additional restaurant is under construction and is expected to open later in the year.

Income before income tax increased by \$459,000 for the second quarter of 2005 and by \$302,000 for the first six months compared to the same periods of 2004. Net income increased by \$408,000 for the second quarter and by \$409,000 for the first six months of 2005 compared to the corresponding 2004 periods. These improvements were due primarily to increases in net sales and a reduction, particularly in the second quarter of 2005, in cost of sales as a percentage of net sales.

The Company's weekly average same store sales for the second quarter and first six months of 2005 increased by 3.6% and 3.8%, respectively, over the corresponding periods of 2004. Management believes that same store sales performance, which is commonly used in the restaurant industry to compare the results of the same base of restaurants for comparable periods, is an important factor in assessing the performance of the Company's restaurant operations. Management attributes the increases in same store sales in 2005 to continued emphasis on providing high quality food and professional service, the effects of menu price increases and the change in April of 2005 in the menu pricing format for certain of the Company's entrees as described below.

In order to reduce cost of sales as a percentage of net sales and improve operating margins, and in connection with an upgrade of the Company's beef program, in April of 2005 the Company increased prices for selected menu items and changed its menu pricing format to modified a la carte pricing for beef and seafood entrees. Under the modified a la carte format, menu prices of beef and seafood entrees which previously included a dinner salad decreased by \$1.00 to \$2.00 in many locations (although increasing in certain major market locations), but no longer include a salad. If desired, a salad can now be added for an additional charge of \$4.00. Management is generally pleased with the results of these changes and the reductions achieved in cost of sales percentages. However, guest count losses following the changes were somewhat greater than expected, particularly in the Company's restaurants located in smaller markets, and are of some concern to management. Management expects guest count losses to be in the 1% to 4% range for the next several months and does not expect the Company's same store sales growth rate to increase significantly during that time. Management believes there could be a

**Table of Contents**

slowing in same store sales growth as a result of the menu pricing changes and consumer concerns regarding higher gasoline prices and other matters, and there can be no assurance that same store sales will continue to increase.

While no pre-opening expense was incurred in the first half of 2005, the Company expects to incur approximately \$300,000 of pre-opening costs during the remainder of the year in connection with the opening of a new restaurant which is expected to open in the Fall of 2005. Most of the Company's new restaurants incur operating losses during their early months of operation and such losses can have a significant impact on the Company's operating results.

The following table sets forth, for the periods indicated, (i) the items in the Company's Condensed Consolidated Statements of Income expressed as a percentage of net sales, and (ii) other selected operating data:

	Quarter Ended		Six Months Ended	
	July 3 2005	June 27 2004	July 3 2005	June 27 2004
Net sales	<b>100.0%</b>	100.0%	<b>100.0%</b>	100.0%
Costs and expenses:				
Cost of sales	<b>32.6</b>	34.2	<b>33.1</b>	33.6
Restaurant labor and related costs	<b>31.6</b>	31.2	<b>31.3</b>	31.3
Depreciation and amortization of restaurant property and equipment	<b>3.9</b>	3.9	<b>3.8</b>	3.8
Other operating expenses	<b>19.0</b>	18.9	<b>19.2</b>	18.6
Total restaurant operating expenses	<b>87.1</b>	88.2	<b>87.3</b>	87.4
General and administrative expenses	<b>7.5</b>	7.3	<b>7.3</b>	7.2
Operating income	<b>5.4</b>	4.5	<b>5.4</b>	5.4
Other income (expense):				
Interest expense, net	<b>(1.4)</b>	(1.8)	<b>(1.4)</b>	(1.7)
Other, net	<b>0.2</b>		<b>0.1</b>	0.1
Total other expense	<b>(1.2)</b>	(1.7)	<b>(1.3)</b>	(1.7)
Income before income taxes	<b>4.2</b>	2.8	<b>4.0</b>	3.7
Income tax provision	<b>(1.0)</b>	(0.9)	<b>(1.0)</b>	(1.2)